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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE



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A DRY-WEATHER START FOR THE CROPS

The most impressive thing now looming in the current crop season is the drought. This is still mostly a threat so far as corn, potatoes, and other late crops are concerned, but it has already cut seriously into the yields of small grains and hay. Pastures are so poor as to handicap livestock raisers, this at a season when grass is normally most plentiful.

The drought centers in the Dakotas and western Minnesota. In that area it is a continuation of several dry years, and conditions there have reached the point of acute distress. The plight of that territory is pictured in the reports of cattle dying of starvation at a time of year when feed should be abundant.

Outside the Dakotas there is a large area suffering in varying degree from dry weather. In fact, that is the case over practically the whole interior of the country north of the Cotton Belt. Speaking of the main agricultural territory of the United States, crop prospects and pastures have rarely, if ever, looked worse this early in the season.

The drought and hot weather have already greatly reduced the hay crop. With very low stocks of old hay on hand, the total hay supply this season seems likely to be far less than in any of the last dozen years.

It has likewise damaged wheat, oats, and barley. Winter wheat has headed out on very short straw over much of the country and the crop presents decidedly a spotted prospect. The spring wheat case is much worse, it being the crop of that section hardest hit by drought.

This drought situation in wheat, moreover, is not confined to the United States. Canada is beginning to feel the pinch. Most of eastern Europe, likewise, is suffering from lack of rain. Reports from this Bureau's representatives the last of May indicated a probable reduction of fully 100,000,000 bushels of wheat in the Danube Basin, and a possible reduction of 300,000,000 bushels for Europe, under last year's crop. The Russian crop is also reported to be hurt by drought.

Most of the crops around the coastal bounds of this country are in fairly good condition. This applies to the Atlantic States, the Cotton Belt, and the northern part of the Pacific coast. The movement of truck crops to market exceeds that of last year, up to the same date, by about 7 percent. Continued heavy shipments are expected at least into early summer.

THE 1934 DROUGHT

Drought has struck earlier in 1934 than in 1930, 1931, or 1933, all drought years. The situation is potentially serious but good weather from now on could largely offset the damage already done. The drought is causing very serious and distressing conditions in areas where it follows severe drought of last year and where all reserves have been depleted. This is particularly true in the Dakotas and in west central Minnesota, but there is another large area extending through southwestern Kansas and far into New Mexico, which has recently taken a sharp turn for the worse. As this is written (May 25), crops in all parts of the Corn Belt, except Michigan and eastern Kansas, are crying for rain and a combination of drying pastures and a shortage of irrigation water is worrying most of the West, except the northern Pacific coast. On the whole, crop prospects and pastures have rarely, if ever, looked worse this early in the season.

Drought and hot weather have already greatly reduced the hay crop. With very low supplies of old hay on hand, the total hay supply this season seems likely to be far less than in any of the last dozen years. No doubt, where the weather permits, emergency hay and forage crops will be planted, but present indications are that the shortage of hay will necessitate rather close marketing of cattle, and unusually close utilization of stover and straw.

Winter wheat is suffering for rain, and oats, barley, and spring wheat have all been rather badly hurt, with prospects declining daily. As a result, everybody is watching corn, which normally supplies about half of our total grain and also much of the roughage consumed by livestock. The acreage of corn grown for grain seems almost certain to be materially reduced, for the March reports of farmers on the acreages they intended to plant indicated a reduction of 10 percent below 1933 and the smallest acreage in 30 years, but as this is written, the crop appears still to have about an average chance for a good yield.

JOHN B. SHEPARD,
Division of Crop and Livestock Estimates.

DROUGHT AND THE WHEAT SITUATION

Domestic grain markets turned decidedly firmer in May, influenced principally by serious drought damage to crops and continued dryness in important grain areas of the Central West. Light marketings were also a strengthening factor, with farmers reluctant to sell remaining supplies because of uncertain prospects for this year's harvest. Wheat prices regained all of the March and April decline and advanced to levels prevailing early in February. Rye advanced with wheat but price gains were less, reflecting prospects for a larger crop than last season and continued imports of foreign rye. Feed grains strengthened with unusually light marketings, some broadening in demand, and poor germination of the new crop in areas where moisture is deficient.

Wheat prospects are generally less favorable than a year ago despite early seeding of spring grains. The unfavorable outlook for both winter and spring wheats in the United States became a dominant influence in domestic wheat markets early in May. The condition of

winter wheat reported at 70.9 percent of normal May 1 was below average in all parts of the country with the exception of a section of the Soft Winter Wheat Belt extending from Missouri to Ohio and of parts of the white wheat area of the Pacific Northwest. Further deterioration has been reported since the first of May in western parts of the belt.

Prospects for spring wheat in the United States were very unfavorable at the middle of May, with drought conditions prevailing in the Dakotas, eastern Montana, and western Minnesota. Seeding was delayed by lack of moisture, and germination was reported poor where seeding had been done. Farmers' planting intentions at the first of March indicated a reduction of 2.5 percent in acreage compared with the 1933 harvest, but trade reports indicate a larger reduction than was intended because of unfavorable seeding conditions.

The spring wheat outlook in Canada is less promising than last season because of the drought. A reduction of about 9 percent in the 1934 wheat area was indicated by farmers' intentions May 1. If carried out, this would mean a reduction of a little over 2,000,000 acres from that harvested last season. In addition to the reduction in spring wheat, about 39 percent of the winter wheat acreage has been abandoned, leaving only 385,000 acres for harvest.

In other Northern Hemisphere countries new crop prospects are not up to last season. Considerable deterioration has taken place in Europe and North Africa, and trade reports indicate that the final Indian outturn may be under the preliminary estimate. Prospects are fair in Scandinavia and the United Kingdom, but conditions in most other European countries are less satisfactory. Heavy winter killing is reported in Germany, with 5.9 percent of the winter wheat acreage abandoned as against only 0.9 percent last year. The condition of the German crop is the lowest since 1929. The French crop has suffered serious damage and the condition is well below that reported at this time last year. Italian wheat prospects are fair and conditions in Spain have recently improved.

Considerable deterioration in crops in countries of the Lower Danube and in Austria, Czechoslovakia, Turkey, and Greece had been reported to the middle of May. The Russian wheat crop was in need of rain in important producing areas and some deterioration had occurred. No official estimate of the Russian spring wheat seeding is available, but the 1934 plan called for about 2,000,000 acres more than was seeded in 1933. Russian winter wheat acreage is reported about 3,000,000 acres larger than last season. European winter wheat acreage in 16 countries outside of Russia is placed at approximately 71,000,000 acres, or about 1,750,000 acres less than last season. Some increase in spring seeding is reported, but indications May 1 were that European wheat acreage, exclusive of Russia, would be about 1,500,000 acres below the 1933 area.

1934 HARVEST UNDER WAY

The 1934 wheat harvest began in March with the cutting of the new Indian crop. Harvesting started early in May in the Imperial Valley of California and by the middle of the month had extended to North Africa, with new wheat nearly ready to cut in the Mediterranean countries in Europe. The largest Indian crop in recent years, except for the 1931 record, was in prospect early in the season, but

later estimates indicated an outturn slightly below the 352,000,000 bushels produced last season and only a little over average domestic utilization of the last 5 years. Outturns about equal to last year are expected in North Africa, according to recent estimates. Forecasts for Danubian countries indicate a harvest around 100,000,000 bushels below the 1933 production. While it is still too early for reliable estimates of the 1934 Northern Hemisphere wheat crop, present conditions suggest the smallest outturn in recent years.

Notwithstanding the prospective reduction in the wheat crop this season, no shortage of bread grains is threatened because of the relatively large stocks still on hand in exporting countries and in Europe and the slow reduction of world stocks as a result of trade restrictions. Wheat stocks in the principal exporting countries outside of Europe are around 125,000,000 bushels under those of a year ago, with the decrease principally in North America. Southern Hemisphere stocks are a little larger than a year earlier but stocks of wheat and flour on ocean passage are down to the lowest figure for this date in the last 10 years. World shipments have fallen nearly 100,000,000 bushels under those of last season, with decreases both in North American and Southern Hemisphere shipments. Danubian and Russian shipments have been slightly larger than last year. With the exception of Argentina, none of the principal exporting countries appear likely to ship sufficient wheat to fill quotas allowed at the London conference. From the first of August to the middle of May, Argentina had shipped about 104,000,000 bushels, according to trade figures, out of a quota of 110,000,000 bushels, Australia had shipped about 70,000,000 bushels out of a 105,000,000 bushel quota, while the United States and Canada had shipped only 176,000,000 out of the 247,000,000 bushels allowed these countries.

European wheat stocks are apparently materially larger than last season. German stocks at the first of April were nearly 15,000,000 bushels above those of a year earlier, and the various governmental proposals for the disposition of surplus wheat stocks in Italy, France, and other Continental European countries suggest increased holdings over those of a year ago. Continued export offers from the Lower Danubian countries indicate larger stocks in that area. European port stocks are above a year ago and reflect the dull demand for overseas grain. The International Institute estimates that stocks of wheat in European importing countries at the close of the season August 1 will be about 100,000,000 bushels above last year.

G. A. COLLIER,
Hay, Feed, and Seed Division.

SMALLER EUROPEAN WHEAT CROP IN PROSPECT

After three seasons of marked increases and above average wheat crops in most European countries, important reductions are now in prospect this season in many cases, particularly as compared with the 1933 outturn. Unfavorable weather conditions, notably a spring drought along with above average winter kill in certain sections are mainly responsible for the reduced crop prospects. The Danube Basin, Germany, France, and Italy are expected to show the most declines from last year, while some increase for Spain appears likely. A reduction of fully 100,000,000 bushels is forecast for the Danube

Basin by the Bureau's Belgrade office representatives, and even if average yields are secured on the reported acreage planted in other continental countries, a reduction of around 200,000,000 bushels would occur, thus making a total reduction of 300,000,000 bushels quite possible from present indications.

Such a reduction, however, would not be fully reflected in increased import takings because of the heavy carry-over in some of the countries, particularly France, and because of the regional nature of the production. The sharp reduction in the basin surplus area would result in only moderate increases in foreign wheat trade. An increase in overseas takings of a little more than 100,000,000 bushels might be expected on the basis of the 300,000,000-bushel reduction, but should yields be below average, imports would probably be increased by the amount of the additional decrease in the crop.

DANUBE BASIN SITUATION

Although there were showers in mid-May in several European countries, dry weather this spring has been general, and considerable damage to wheat fields has been reported. High temperatures prevailed in all the Danubian countries, except Bulgaria, from the middle of March to the middle of May, and insufficient rains fell during this period, according to a cable from the Belgrade office of the Foreign Agricultural Service. In Hungary, good rains fell around May 15, checking to some extent the drought damage, but the crop is expected to be below average, with abandonment above normal. Compared with Hungary, conditions in Rumania and Yugoslavia are worse and in Bulgaria, better. The Belgrade office estimates a 1934 wheat outturn in the four basin countries over 100,000,000 bushels below the 1933 harvest of 370,868,000 bushels. This would be one of the smallest crops on record and would likely result in little or no export surplus. Reduced corn, rye, and barley crops are also expected.

OTHER CONTINENTAL EUROPE

Wheat and other grain prospects at the middle of May in other continental European countries appear well below last year, according to cabled advices from the Berlin office of the Foreign Agricultural Service. A larger winter-kill is noted along with deficient winter moisture in most sections of Germany and Czechoslovakia and deficient spring rainfall up to the middle of May is evident in all central Europe. In Germany, grains and potatoes are suffering, especially on light soils. Grain is 3 weeks early and small kernels are expected. Some recent rains have been reported in Austria, but the serious February, March, and April deficit is still causing drought complaints. Both bread and feed grain crop prospects in Czechoslovakia are reported considerably under last year, particularly of the important region of Bohemia. Private reports from Poland indicate serious drought damage, but the official May 5 report shows grain somewhat above average. In the Baltic countries and Sweden the official May 1 condition reports are slightly above average but rains are needed. Crop prospects continue good in Belgium and Holland. For Switzerland the winter-kill and drought are impairing prospects.

A large section of European Russia experienced persistent dryness with above normal temperature several weeks prior to May 8 when

the first rains were reported. Though these continued a week, the moisture supply still appeared insufficient in important regions in the south and southeast, the Bureau's representatives stated. Crop conditions in Italy are said to be fair but below a year ago. In France, the cereals are considered fairly good to good, though the condition of the wheat crop on May 1, 1934, was considerably below that of the same date a year ago. Spain is an important exception where a crop above last year is expected. The 1933 crop, however, was below average. Crop prospects appear fairly good in Greece on an increased acreage.

GORDON P. BOALS,
Foreign Agricultural Service Division.

FAIRLY GOOD TRUCK CROP PROSPECTS

Main features of the truck crop situation up to June were lateness in the season, with the growing conditions fair to good; exceptional earliness in the far West and yields only fair, with a prospect of water shortage in irrigated districts; and tendency to drought and heat in some parts of the Middle West and plains region threatening the mid-season crops.

By the 1st of June the eastern region, according to shipping dates, had caught up to within a week or so of normal and crops were doing well. The Pacific coast was still two weeks early and starting shipments of various orchard fruits and other products. Frost or flood damage to crops throughout the country has been rather less than usual and drought so far has not greatly affected the fruit and vegetable crops.

SHIPPING MOVEMENT GAINS

Movement to market has increased with the uneven progress of the season and the total to recent date exceeds that of a year ago by about 7 percent, which was to be expected with the generally larger acreage and somewhat better demand at a higher level of prices. Continued heavy shipments were expected and possibly a rush of supplies in early summer, because many of the midseason shipping periods were crowded together owing to the late start of the eastern season. The increased acreage, as compared with last season, was still not much above average for many crops and the gain was partly balanced by stronger consuming demand. So far the main oversupply was in cabbage and early string beans, onions, carrots, cantaloups, and occasionally asparagus and spring greens, resulting in a tendency to market slumps made more severe by receipts of much poor stock from some districts. Potato supplies were expected to be heavy this summer, especially in the East. Strawberries were abundant after the middle of May and reached extremely low prices by the end of the month except for best lots.

On the other hand, western lettuce has had a long season of high prices. Peas and celery have been good sellers. Sweetpotatoes had a well sustained market. Tomatoes reaching market in good condition have met satisfactory demand and prices most of the time. There was a good spring market for hothouse tomatoes and cucumbers.

ACTIVE POTATO MARKET

Potato crop developments are watched with interest because a large yield or even a fair crop would bring heavy shipments from the larger acreage planted. The eastern crop is doing well, but weather damage and drought possibilities threatened the midwestern and south central yield. Meanwhile, the new crop has been coming to market fast enough to prevent any sustained rally in the market for old potatoes, although prices still were about double the extremely low levels prevailing near the end of last season. Most of the supply near the end of May was coming from Maine and Idaho, and prospects were that remaining holdings would be cleared up.

The good condition of the crop in the Carolinas, the Eastern Shore of Virginia, and other eastern producing sections in the same latitude indicated continued liberal supplies in June. Florida was about done. South Carolina and the second early sections of Texas were starting. The Gulf Coast region was shipping heavily and central California was moving more early potatoes than usual at the time of year. North Carolina, Oklahoma, and Arkansas were expected to be active the first half of June and so far most of the early States have had considerably larger supplies available for shipment as compared with last season, but only moderately larger than the average output for the last 5 years.

Cabbage markets have been holding as well as could be expected under continued heavy supplies from the Carolinas and Gulf Coast region. Prices have sometimes been above the lowest levels of last season but are mostly lower this season. Shipping movement is advancing rapidly along the East Coast, and supplies seem likely to continue heavy from the good yield and larger acreage planted. Liberal production is also likely in the North unless prevented by drought or other unfavorable weather conditions.

Supplies of tomatoes have been running rather light in some markets and growers have been receiving mostly good returns but heavy supplies are expected from the Gulf States in June. A weak feature of the early season was receipt of much poor stock, causing wide range of prices. Arrivals from all sections show great differences in quality and condition.

Supplies of California cantaloups have been heavy at a time when the season had scarcely started in other years. Track accumulations in leading markets have been sometimes from 2 to 5 times the normal requirements.

A few carlots of peaches from California reached eastern markets in late May, selling from \$1.20 to \$2.50 a box. Liberal supplies were expected from the South in June, with a fairly large crop in Georgia and somewhat better conditions in North Carolina. Southern peaches of good quality were expected to meet good market reception because of light supplies of fruit in recent months. Earliness of the California season may supply more than usual competition from that source.

Ample supplies of melons are expected in eastern markets with the progress of the season in Florida and south Georgia, the condition of the growing crop being generally good. First car of Florida water-melons sold at \$850 in New York, although sizes were rather small and irregular.

Arrivals of strawberries from a dozen of the heavy-producing sections brought liberal supplies to northern markets, but lateness of the season up to June kept total receipts below those of a year ago. Considerable good fruit from midseason sections was reaching northern markets along with much stock of poor quality from distant producing sections. Price range has been low, as usual near the height of the season. Demand has been good and markets held about as well as could be expected under the conditions, showing a wide price range. Truck receipts in the Middle West were heavy from Arkansas, Indiana, Missouri, and Illinois, but much fruit was small and out of condition.

GEORGE B. FISKE,
Division of Economic Information.

FEWER CHICKENS BEING RAISED

Fewer chickens are being raised this spring as a result of higher prices for feed and of unsatisfactory returns to producers for eggs during the last year. Numbers of young birds in the flocks of crop reporters are down almost 15 percent from last year and are 29 percent below the high record of 1930. Fewer chicks and young chickens were on hand in farm flocks on April 1 and May 1 this year than in any previous year of the record for those dates, beginning in 1927.

As the spring has been generally drier than usual and thus rather favorable than otherwise to the hatching and breeding of chicks, this big early falling off in numbers of chickens being raised signifies decreased supplies of poultry this season. The reduction seems a logical response to the increased cost of feed and the reduction this year in the acreage of wheat, corn, and other feed grains, and to the rather unsatisfactory price to producers for eggs during most of the last year. While the decrease now indicated might be somewhat offset during May and June, hatchings to May 1 usually represent about two thirds of the season's total and a material decrease this year in the total number of chickens raised seems certain.

Although the number of chickens raised last year showed an increase of several percent over numbers in 1932, the gain was not maintained. On January 1 of this year total numbers were found to be almost 2 percent less than on January 1, 1933. The numbers of layers in farm flocks each month this year have remained less than in the corresponding month last year, being 2.6 percent fewer on May 1, and the smallest in the 10-year record for May. With fewer chickens being raised, the number of layers during the coming 12 or 15 months seems likely to be materially less.

Reports for May 1 show an average of 76.6 young birds per flock on hand this year compared with 89.6 last year, with a record high number of 107.7 in 1930, a previous low of 83.6 in 1932, and a May 1 average during the years 1927-31 of 94.7 chicks. The record for April 1 showed a similar relationship to previous years. The only important poultry States showing a distinct increase in numbers of young chickens over numbers last year are the Pacific Coast States and Idaho, with numbers about the same or slightly increased in Colorado, New York, and New England.

This year's May 1 average figure of 74.1 laying birds per farm flock corresponds with 76.1 in 1933, with 74.2 (the previous low record) in

1932, with the high record of 81.4 in 1927, and with a 5-year May average of 79 laying birds.

Hens are laying almost the usual number of eggs per hen this spring. Seasonal conditions have been rather favorable for egg production even though feed was more expensive and was probably fed more sparingly. The peak of the laying season is usually reached in April and May and the number of eggs laid by farm flocks at that period of the year does not usually change from year to year more than a few percent from the average of about 54 eggs per hundred birds. The average number of eggs laid on May 1 this year was 54.8 eggs per hundred hens compared with 54.9 last year and a 5-year average

YOUNG CHICKENS IN FARM FLOCKS ON APRIL 1, MAY 1, JUNE 1, AND JULY 1,
1927-1934 AND TOTAL NUMBER OF CHICKENS JAN. 1 FOLLOWING

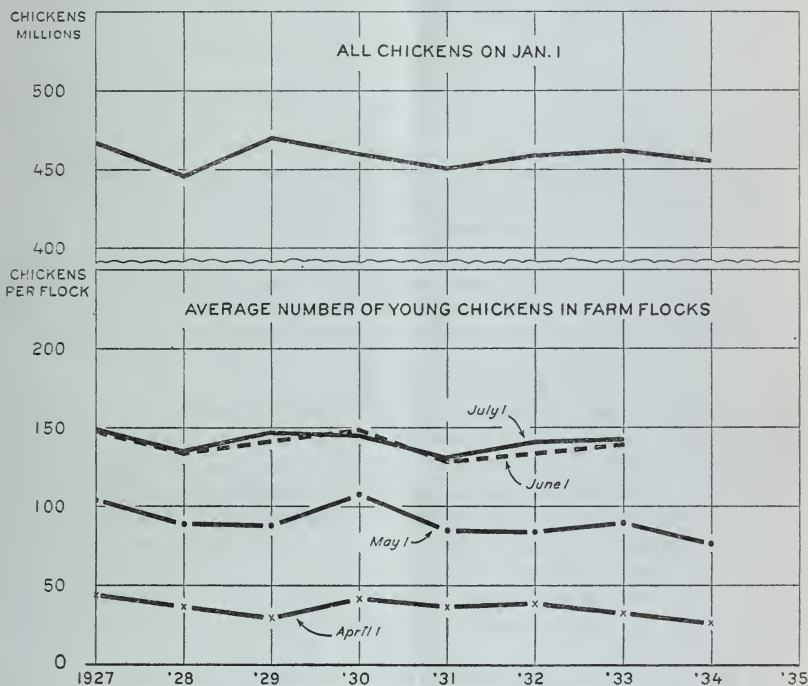


FIGURE 1.—Numbers of chickens in farm flocks on May 1 tend to indicate the trend, and to some degree the extent of change, in the annual production of chickens and in the number remaining on hand at the end of the year.

of 55.1. The number of eggs laid on the first day of each month, January to May, inclusive, amounted all told to 187.3 eggs per 100 hens, which compares with a 5-year average for the same dates of 187.7 per hundred hens.

Owing to fewer hens on hand, the average number of eggs laid per farm flock on May 1 was down to 40.3 eggs compared with 41.3 last year and a 5-year average for May 1 of 43.3. This indicates a reduction of about 2½ percent from last year in total egg production on May 1, and a reduction of about 7 percent from the 5-year May 1 average.

S. A. JONES,
Division of Crop and Livestock Estimates.

THE EGG AND POULTRY MARKET SITUATION

Further progress in the spring egg markets has not cleared up conflicting influences as was so generally hoped. Classified as of a strengthening nature is the smaller production of farm flocks compared with a year ago, smaller receipts at both primary and terminal markets, a decrease in the number of hens and young stock on farms, and some slight tendency for consumption to show an improvement in comparison with that of a month ago. In contrast to these factors is the report that the demand for eggs for current consumption at prevailing prices is not such as to promote a really healthy situation, the necessity for many receivers to store a part of their receipts in order to escape an immediate loss, and the consequent piling up of stocks in storage from this cause, in addition to those consigned for purely speculative purposes.

Because of the foregoing uncertainty, prices in May moved mostly in an irregular and relatively narrow range.

It is quite generally reported that eggs have been of poorer quality this spring than in many years. Eggs from many of the Middle Western producing areas have not only shown the effects of unfavorable temperatures but also the lack of proper feed. Due to the scarcity of feed supplies in some of the drought-stricken States and the unfavorable relationship between egg prices and feed costs, many flocks have been left to shift for themselves. Lacking the usual feeding of grain and other feeds, eggs produced under these conditions are said on arrival at market not to show the usual quality. This situation has to some extent limited the supply of good eggs and thrown a larger than usual proportion of market receipts into lower classifications.

Statistically, the market shows evidence of only minor improvement since the review of a month ago. Although it is becoming increasingly difficult to measure receipts at the leading markets because of the increased use of trucks for shipments of eggs of which no complete records can be obtained, all information available points to a fairly sharp decrease in the receipts of the first 3 weeks of May compared with the same period a year ago. Apparent trade output continues to lag behind that of last year for corresponding periods, but not to the same extent as a month earlier. At the present moment, the rate at which eggs are going into storage compared with a year ago seems to be slowing down, although for the first 3 weeks of the month apparently as many eggs were stored as during the same time last year.

Shell eggs in storage on May 1 amounted to 4,620,000 cases, which were only 237,000 cases smaller than the stocks of May 1 last year, but 76,000 cases above the 5-year average stocks for May 1. Shell eggs stored in April amounted to 3,412,000 cases compared with only 2,014,000 cases in April last year. There was also a large volume of frozen eggs stored in April, the increase in stocks during that month amounting to 23,900,000 pounds compared with only 17,854,000 pounds a year ago. To some extent, this large increase was unexpected, and has since had an unsettling effect upon the egg market in general, as in some quarters the relatively light stocks of April 1 had been used as a basis for optimism in viewing the shell-egg situation. Total stocks of frozen eggs in storage on May 1 amounted to 62,579,000 pounds, which were only about 400,000 pounds smaller than the

stocks reported a year earlier, but about 10,500,000 pounds smaller than the 5-year average stocks of May 1.

In the poultry markets in early May there was a sharp drop in the price of fowl. The market on frozen poultry continues to exhibit a steady to firm trend, with chickens weighing $1\frac{1}{2}$ to $3\frac{1}{2}$ pounds 1 to 2 cents higher than a month ago.

Stocks of frozen poultry in storage on May 1 amounted to 49,193,000 pounds compared with 45,824,000 pounds on May 1, last year, and 55,582,000 pounds for the 5-year May 1 average. Reductions in stocks during April amounted to approximately 24,000,000 pounds, compared with about 21,400,000 pounds in April last year and a 5-year average reduction of around 22,000,000 pounds.

B. H. BENNETT,
Division of Dairy and Poultry Products.

THE DOMESTIC DAIRY MARKET SITUATION

The serious drought which has hit some parts of the country has so curtailed dairy production this spring that the dairy market situation presents an unusual picture for this season of the year. While all of the country's dairy producing areas are not suffering directly from the effects of these drought conditions, the indirect effects apply widely. Parts of the Middle West have been hardest hit. Only in the Pacific Northwest, and in sections of New England and Texas were pasture conditions up to average on May 1, which date the last report covers, conditions elsewhere being reported as the worst in the last 50 years. Extreme dry weather and dust storms have caused such serious damage to pastures and feed crops in certain of the butter areas that local production is extremely low, and a continuation of unfavorable weather conditions and their effect later on feed costs would tend to make further reductions of production a strong possibility. This situation is of particular importance in lending support to present dairy markets.

Another important influence at this time is the butter-storage situation. Decreasing surpluses have been recorded each succeeding month this year, and while distribution of butter by the Government for relief purposes is known to be responsible in a large way for the remarkably heavy reduction of butter stocks, the fact remains that the burdensome surpluses of last fall have disappeared, and that the new season opens with butter stocks about normal.

Estimates of creamery butter production show a continuation of the lowered rate under that of last year, although it is noted that percentage decreases under 1933 have been less each succeeding month this year. April production of 133,218,000 pounds represents a decrease of almost 5 million pounds, or 3.5 percent under April 1933. In March the decrease was 7 percent, in February 12.6 percent, and in January 13 percent. Total estimated production for the period, January to April, inclusive, is 474,842,000 pounds, a drop of 46 million pounds, or 8.8 percent under the corresponding period of 1933. Butter absorbs the major portion of milk and cream utilized for manufacturing, and while the changes in butter production are thus of greatest importance in the field of manufactured dairy products, the cheese production trend affords an interesting contrast. In

April, cheese production was 10 percent greater than that of a year earlier. There was also an increase in March, amounting to 4 percent, so that at a time when butter was showing a substantial decrease, cheese production increased. For the calendar year to May, total cheese made was about the same as in 1933.

Another contrast is found in the case of condensed and evaporated milk, the former having increased 8 percent over 1933 during the above 4-month period, while the latter decreased 13 percent. Similarly, condensed milk increased 19 percent in April over last year, while evaporated milk production decreased 15 percent. The clearest picture of the 1934 production of manufactured dairy products in relation to 1933 is found in comparison on a milk equivalent basis. On such a basis, the combined production of butter, cheese, and condensed and evaporated milk from January 1 to May 1 was 8 percent less than the similar period last year.

The present dairy price situation may be attributed in no small way to the foregoing conditions. Contrary to the usual tendency of prices to recede somewhat in May, prices of both butter and cheese are actually higher than in April.

Stocks of creamery butter, which reached a high record level of 175 million pounds last fall, had been reduced to 11,840,000 pounds by May 1. This compares favorably with the May 1, 5-year average (1929-33) of 13,165,000 pounds. Distribution of butter by the Government to needy unemployed during the last winter and spring up to May 1 amounted to 50,710,000 pounds, and this not only reduced stocks at a time when surpluses were unusually heavy, but supported markets at a time when support was most needed. Total Government purchases of butter for relief up to May 1 amounted to 51,530,000 pounds, only about 800,000 pounds still being in storage on that date and included in the May 1 total. The picture on American cheese is quite different from butter, in that stocks are considerably in excess of last year, as well as average holdings.

One suggestion of a weak spot in the current dairy markets situation is the falling off of consumption. Apparent consumption of butter in April was less than in April 1933, the first time since November that butter consumption showed a decrease under the corresponding month of a year earlier. During the 3 preceding months there had been a net increase of 10.5 percent over 1933, but in April there was a 1 percent decline. While this decrease was not large, it is of interest because of the change. A material reduction in the quantity of butter distributed for relief purposes is partial explanation of this change. Cheese consumption, which also had shown increases during earlier months of the year, was reduced 8.5 percent in April. Evaporated milk was 28 percent lower in March than in 1933, and April followed along with even a larger decrease, 30.5 percent. Condensed milk consumption increased 16 percent in April, but consumption of all of the above products combined, in terms of milk, was 5 percent less than in 1933. For the calendar year ending with April, consumption of the above products was 5.3 percent heavier than during the corresponding period of 1933. On a similar basis, production was 8 percent less.

L. M. DAVIS,
Division of Dairy and Poultry Products.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and State.

Product	5-year aver- age, August 1909- July 1934	May aver- age, 1910-14	May 1933	April 1934	May 1934	Parity price May 1914
Cotton, per pound.....cents--	12. 4	12. 7	8. 2	11. 6	11. 0	15. 0
Corn, per bushel.....do-----	64. 2	66. 2	38. 9	47. 1	48. 6	77. 7
Wheat, per bushel.....do-----	88. 4	90. 3	59. 0	68. 7	69. 5	107. 0
Hay, per ton.....dollars--	11. 87	12. 28	6. 37	8. 59	8. 94	14. 36
Potatoes, per bushel.....cents--	69. 7	69. 5	43. 7	83. 4	73. 7	84. 3
Oats, per bushel.....do-----	39. 9	41. 5	21. 7	32. 6	32. 7	48. 3
Beef cattle, per 100 pounds dollars--	5. 21	5. 50	3. 95	3. 89	4. 13	6. 30
Hogs, per 100 pounds.....do-----	7. 22	7. 23	3. 88	3. 49	3. 17	8. 74
Chickens, per pound.....cents--	11. 4	11. 8	10. 4	11. 1	11. 2	13. 8
Eggs, per dozen.....do-----	21. 5	16. 6	11. 8	13. 5	13. 3	26. 0
Butter, per pound.....do-----	25. 5	24. 1	19. 9	21. 6	21. 6	30. 9
Butterfat, per pound.....do-----	26. 3	24. 0	20. 2	21. 0	21. 5	31. 8
Wool, per pound.....do-----	17. 6	17. 8	17. 7	26. 2	23. 4	21. 3
Veal calves, per 100 pounds dollars--	6. 75	6. 59	4. 50	4. 79	4. 83	8. 17
Lambs, per 100 pounds.....do-----	5. 87	6. 46	4. 72	6. 82	6. 95	7. 10
Horses, each.....do-----	142. 00	144. 00	71. 00	83. 00	83. 00	172. 00

COLD-STORAGE SITUATION

[May 1 holdings, shows nearest millions; i.e., 000,000 omitted]

Commodity	5-year average 1929-33	Year ago	Month ago	May 1934
Apples, total.....barrels--	¹ 1,469	¹ 1,567	¹ 2,131	¹ 1, 049
Frozen and preserved fruits pounds--	51	52	46	40
40 percent cream...40-quart cans--		¹ 53	¹ 82	¹ 102
Creamery butter.....pounds--	13	9	15	12
American cheese.....do-----	42	37	50	52
Frozen eggs.....do-----	73	63	39	63
Shell eggs.....cases--	¹ 4,544	¹ 4,857	¹ 1,208	¹ 4, 620
Total poultry.....pounds--	56	46	74	49
Total beef.....do-----	55	31	56	47
Total pork.....do-----	786	630	657	655
Lard.....do-----	114	72	174	179
Lamb and mutton, frozen.....do-----	3	2	2	1
Total meats.....do-----	916	708	771	756

¹ 3 ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Whole-sale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in ³ —			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1910.....	103	-----	98	98	98	97	-----
1911.....	95	-----	100	103	102	97	-----
1912.....	101	-----	101	98	99	101	-----
1913.....	102	-----	100	102	101	104	100
1914.....	99	-----	102	99	100	101	101
1915.....	102	101	107	104	105	102	110
1916.....	125	114	124	124	124	112	116
1917.....	172	129	147	151	149	140	129
1918.....	192	160	177	174	175	176	137
1919.....	202	185	210	192	200	206	172
1920.....	225	222	222	174	194	239	209
1921.....	142	203	161	141	150	150	223
1922.....	141	197	156	139	146	146	224
1923.....	147	214	160	141	149	166	228
1924.....	143	218	159	143	150	166	228
1925.....	151	223	164	147	154	168	232
1926.....	146	229	162	146	153	171	232
1927.....	139	231	159	145	151	170	238
1928.....	141	232	160	148	153	169	239
1929.....	139	236	158	147	152	170	241
1930.....	126	226	148	140	144	152	238
1931.....	107	207	126	122	124	116	218
1932.....	95	178	108	107	107	86	189
1933.....	96	171	109	108	109	80	-----
1933							
April.....	88	165	-----	-----	101	73	-----
May.....	92	169	-----	-----	102	-----	-----
June.....	95	172	102	104	103	-----	-----
July.....	101	176	-----	-----	107	78	-----
August.....	102	176	-----	-----	112	-----	-----
September.....	103	179	117	114	116	-----	-----
October.....	104	177	-----	-----	116	86	-----
November.....	104	175	-----	-----	116	-----	-----
December.....	103	176	117	114	116	-----	-----
1934							
January.....	105	179	-----	-----	117	81	-----
February.....	107	179	-----	-----	119	-----	-----
March.....	108	184	121	119	120	-----	-----
April.....	107	183	-----	-----	120	88	-----

¹ Bureau of Labor Statistics. Index obtained by dividing the new series 1926=100, by its pre-war average, 1910-14, 68.5.

² Average weekly earnings, New York State factories. June 1914=100.

³ Revised. These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

⁴ Revised. Index of farm real-estate taxes, per acre, 1913=100.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August 1909-July 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid ²
	Grains	Fruits and vegetables	Cotton and cotton-seed	Meat animals	Dairy products	Poultry products	All groups		
1910-----	104	91	113	103	100	104	103	98	105
1911-----	96	106	101	87	97	91	95	102	93
1912-----	106	110	87	95	103	101	99	99	100
1913-----	92	92	97	108	100	101	100	101	99
1914-----	103	100	85	112	100	105	102	100	102
1915-----	120	83	78	104	98	103	100	105	95
1916-----	126	123	119	120	102	116	117	124	94
1917-----	217	202	187	173	125	157	176	149	118
1918-----	226	162	245	202	152	185	200	175	114
1919-----	231	189	247	206	173	206	209	200	104
1920-----	231	249	248	173	188	222	205	194	106
1921-----	112	148	101	108	148	161	116	150	77
1922-----	105	152	156	113	134	139	124	146	84
1923-----	114	136	216	106	148	145	135	149	90
1924-----	129	124	211	109	134	147	134	150	89
1925-----	156	160	177	139	137	161	147	154	95
1926-----	129	189	122	146	136	156	136	153	89
1927-----	128	155	128	139	138	141	131	151	87
1928-----	130	146	152	150	140	150	139	153	91
1929-----	121	136	145	156	140	159	138	152	91
1930-----	100	158	102	134	123	126	117	144	81
1931-----	63	98	63	93	94	96	80	124	65
1932-----	44	71	46	63	70	80	57	107	53
1933-----	62	80	64	59	69	74	63	109	58
1933									
April-----	47	66	49	57	59	56	53	101	52
May-----	62	68	65	65	63	62	62	102	61
June-----	63	74	69	66	65	55	64	103	62
July-----	94	103	84	66	71	67	76	107	71
August-----	81	120	71	63	72	67	72	112	64
September---	78	101	69	62	76	77	70	116	60
October-----	68	86	71	63	78	94	70	116	60
November---	74	81	76	59	78	105	71	116	61
December---	73	83	77	52	76	95	68	116	59
1934									
January-----	75	92	82	55	73	82	70	117	60
February-----	78	101	93	64	77	77	76	119	64
March-----	78	108	94	65	79	72	76	120	63
April-----	77	105	94	63	76	70	74	120	62
May-----	78	105	90	63	76	69	74	121	61

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Revised.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by the Foreign Agricultural Service Division of this Bureau.

Year and month	Wheat, ¹ including flour	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, ⁴ running bales
	<i>1,000 bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bushels</i>	<i>1,000 bales</i>
Total:						
1920-----	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921-----	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922-----	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923-----	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924-----	241, 454	546, 555	637, 980	944, 095	10, 261	6, 653
1925-----	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926-----	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927-----	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928-----	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929-----	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930-----	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931-----	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932-----	82, 118	387, 766	84, 175	546, 202	16, 919	8, 916
1933-----	27, 512	420, 418	100, 169	579, 072	11, 029	8, 532
April:						
1920-----	13, 934	42, 386	39, 996	40, 758	221	540
1921-----	25, 120	43, 320	57, 778	53, 275	221	315
1922-----	10, 698	40, 190	43, 254	42, 459	178	587
1923-----	10, 428	40, 141	68, 528	85, 475	177	257
1924-----	8, 624	59, 019	57, 546	73, 307	745	311
1925-----	12, 912	30, 519	33, 413	44, 447	329	440
1926-----	6, 452	43, 388	31, 410	63, 160	464	506
1927-----	16, 138	35, 041	17, 844	67, 345	1, 079	825
1928-----	7, 410	41, 215	22, 064	56, 554	116	467
1929-----	9, 151	39, 082	25, 062	59, 144	1, 101	448
1930-----	7, 438	42, 449	21, 249	50, 045	226	350
1931-----	7, 106	45, 189	11, 129	44, 769	702	392
1932-----	11, 882	30, 745	6, 845	36, 014	587	545
1933-----	1, 754	37, 618	8, 810	38, 741	346	436
1933						
July-----	1, 391	28, 828	10, 994	36, 200	130	692
August-----	1, 721	23, 440	9, 385	35, 714	490	531
September----	1, 531	40, 881	8, 632	48, 743	435	869
October-----	1, 490	64, 464	8, 147	49, 812	1, 433	1, 047
November-----	1, 930	42, 566	10, 306	47, 563	1, 695	915
December-----	6, 876	60, 783	6, 561	54, 778	1, 896	820
1934						
January-----	5, 548	25, 753	4, 965	51, 202	2, 556	739
February-----	4, 039	27, 571	7, 012	36, 908	2, 166	628
March-----	4, 733	43, 024	7, 206	39, 493	1, 029	567
April-----	5, 482	39, 887	6, 280	39, 350	387	387

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Excludes neutral lard.

⁴ Excludes linters.